FINANCIAL LITERACY GUIDANCE FROM FEDERAL STUDENT AID

This document is designed to help counselors and mentors assist postsecondary students in developing the skills necessary to make informed financial decisions, in particular with regard to the student loan process. Choosing how to pay for college is often one of the first major financial decisions that young adults make. Financial literacy education can provide an understanding of how to manage personal finances, establish financial goals, and form a plan to reach them.

The following pages provide information on key concepts that student loan borrowers should understand, good financial habits for students to practice, and tools and resources available to help communicate these concepts to students. Counselors, mentors, and school representatives can use this information to tailor their financial education programs to students' needs.

Federal Student Aid

An OFFICE *of the* U.S. DEPARTMENT *of* EDUCATION

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CONTENTS:

BUDGETING

The Basics of Budgeting

The basics of budgeting are to form good financial habits and develop an awareness of spending. Many resources exist to help students create and manage their budgets. Counselors should work with students to find the budgeting tools and techniques that work for them. **StudentAid.gov** hosts a budgeting video that can be useful when helping students in the early stages of this process.

The methods for conveying the basics of budgeting will vary by school and by student. Within the framework of the financial literacy information and resources provided here, we strongly recommend promoting the use of a budget and addressing the benefits and concepts discussed below.

The Benefits of Budgeting

Budgeting is important because

- it helps students meet their expenses and create plans to reach their financial goals;
- short-term and/or long-term financial goals help create a framework conducive to financial success;
- it helps students develop a sense of control over their money;
- it reduces students' anxiety levels regarding financial and academic matters;
- it can contribute to students' creditworthiness;
- it improves students' understanding of their school's Cost of Attendance (COA); and
- it identifies where funds should be going versus where they were actually spent, and demonstrates the importance of maintaining a balance between earning and spending.

Cost of Attendance

Cost of attendance (COA) plays a large role in forming students' budgets. The COA is what it will cost students to attend school based on their enrollment status. Here are some examples of items that can be included in COA:

- Tuition
- Non-tuition-related fees (registration fee, graduation fee, lab fee, etc.)
- Textbooks (buy, rent, access online)
- Supplies (computer, printer, ink cartridges, etc.)
- Housing fee or rent
- Transportation expenses (fuel, general vehicle upkeep, etc. Not to be used for purchase of a vehicle.)
- Food and/or meal plans
- Living expenses and costs related to a disability

Expected Family Contribution

The information students report on their *Free Application for Federal Student Aid* (FAFSA®) (income, savings, number of people in household, number of household members in college, etc.) is used to calculate their Expected Family Contribution (EFC). The EFC isn't the amount of money students and families will have to pay for college, nor is it the amount of federal student aid awarded. It is a number used to determine the types of and calculate the amounts of financial aid students are eligible to receive. EFC is not used to determine eligibility for non-need based aid such as unsubsidized loans or PLUS loans. To learn more about EFC and how aid is calculated go to: **StudentAid.gov/how-calculated**.

The amount of aid a student receives is a key component of a student's budget.

- Students can understand more by viewing this concise, two-minute video explaining the benefits of budgeting at **StudentAid.gov/resources#budgeting-video**.
- Additional "how-to" information on budgeting is available at **StudentAid.gov/budget**.

Setting Goals

Establishing academic, financial, and personal goals is a good way to start the budgeting process. Goals can provide students a context that allows them to better understand the benefits of saving and the long-term impacts of poor money management.

Academic Goals

- Graduating on time (the length of time spent in school has significant financial impacts)
- Getting good grades while in school (these can lead to financial merit awards)
- Obtaining a certificate, degree, or degrees
- Publishing one's work
- Becoming a leader in one's field

Financial Goals

- Short-term savings goals (placing a percentage of every paycheck in a savings account or accumulating minimal debt prior to graduation)
- Long-term savings goals (e.g., paying off a car within five years or saving for a down payment to purchase a house)

Personal Goals

- Establishing a Career
- Choosing place of residence

Federal Student Aid offers additional budgeting tips at **StudentAid.gov/budgetingtips**.

Tracking Earnings and Spending

Tracking daily spending provides students with an understanding of where their money is going. To fully appreciate the impact of routine expenditures, students can calculate the total amounts of such purchases over the course of a year. For instance, a $2 coffee each morning would cost a student $730 annually. The ability to visualize the long-term costs of daily expenditure choices can provide a powerful motivation to curb discretionary spending.

Understanding Income

Students need to understand their income in order to create a functional budget. Some aspects of income, such as personal income and family contributions, are easy to grasp. Other forms, such as scholarships, loans, and grants, require students to understand their responsibilities as aid recipients or borrowers. Many scholarships and grants require students to maintain a defined grade point average in order to remain eligible to receive them. Students should also understand the money management concepts that correspond to the ways in which they receive their grants or loan funds, such as via a monthly stipend versus a lump sum.

Sources of funding and income include:

- Grants
- Scholarships/fellowships
- Loans
- Federal Work-Study
- Teaching assistantships
- Universities and colleges
- Savings
- Family contributions
- Personal income

Needs vs. Wants

It is a good idea for students to create a needs versus wants checklist. Doing so, in combination with creating a budget, is a good starting point for students to reach their short- and long-term goals. Needs are required for survival (food, clothing, shelter), and wants are things that might not be as necessary as students think. The goals that students identify should be used as a basic framework for deciding which expenses are necessary and which are optional.

Creating a budget requires making compromises, such as

- eating in instead of eating out;
- keeping a current phone instead of buying a new one; and
- making coffee at home instead of buying it already made.

This simple exercise is an effective tool for helping students create a budget and manage their limited funds.

Banking

Many students may be opening bank accounts for the first time, or, if relocating for college, they may need to open accounts with new, local institutions. Local credit unions can be a good first stop as a banking option as many offer low-cost features that are well suited for students.

Financial aid and other income will likely be deposited into a student's bank account. Students should be encouraged to use the "pay yourself first" method when creating their budgets. To pay yourself first means simply this: Before paying bills, buying groceries, or spending money on anything else, set aside a portion of your income to save. Doing so (easily accomplished via an automatic transfer from a bank account) is an important step toward creating financial security and personal wealth.

Students should aspire to have at least the amount needed for three months' worth of expenses in their savings account at any given time. These funds will help students weather unexpected financial circumstances, such as auto repairs, health-related expenses, or periods of unemployment.

Questions to Ask When Choosing a Financial Institution

- Is the institution insured?
  - Banks should be insured by the Federal Deposit Insurance Corporation
  - Credit unions should be insured the National Credit Union Association
- Does the institution charge monthly fees?
- Is a minimum balance or regular direct deposit required to avoid monthly fees?
- Are users charged for using out-of-network ATMs?
- Does the institution charge overdraft fees? Does it offer overdraft protection?
- Are users charged fees for debit card use or online bill pay?
- Is the institution easily accessible and open during hours convenient to the student?

Building and Maintaining Credit

Building and maintaining credit should be important financial goals for college students. On-time bill payment, as well as avoiding bounced checks or overdrafts, will help build a student's credit. A good credit history will open up financial options to students after they graduate, such as obtaining auto or home loans with favorable interest rates. Student loan payments will impact a borrower's credit history. Credit reports and credit scores provide students with the capability of monitoring their credit.

Free credit reports (not credit scores) are available at **www.annualcreditreport.com**.

Importance of Record Keeping

Students can set themselves up for success by maintaining comprehensive records of their financial transactions. Good record keeping can help prevent financial discrepancies by providing a reference for past interactions and agreements. This helps protect students in the event of a mistake by their financial institution or loan servicer that could adversely affect them.

BORROWING

Borrowing Fundamentals

Most students use federal loans to help finance their studies and some may turn to private loans. Taking out a loan is an important financial decision that can affect a student for years to come. It is critical for students to understand their loan options and associated responsibilities in order to make good borrowing decisions.

Before taking out a loan, students should be encouraged to use all available grants and scholarships since they do not need to be paid back. After accepting all grants and scholarships, students should consider if they are eligible to participate in the Federal Work-Study Program. Many work-study job opportunities are on or near campus and earnings from this program do not reduce eligibility for grants in the future. Students should consider the time commitment when working and weigh this with the need to focus on academic studies.

If all of these options are not sufficient to pay tuition and other education-related expenses, students should consider the William D. Ford Federal Direct Loan Program and the Federal Perkins Loan Program. These federal programs offer more repayment options and critical protections for students than private loans.

Private Loans

Private loans should be the last financing option to be considered and used. Private student loans are nonfederal loans made by a lender, such as a bank, credit union, state agency, or a school. They do not typically offer many of the benefits of federal student loans, such as fixed interest rates and income-based repayment plans.

Borrowers of private loans also have fewer options for forbearance or deferment, and may have more difficulty getting back into good standing after default. Students should be encouraged to seek financial counseling before taking out private loans.

Federal Loans

William D. Ford Federal Direct Loan Program

Direct Subsidized Loans

- Direct Subsidized Loans are available to undergraduate students who demonstrate financial need.
- Generally, no interest is charged when the student is enrolled at least half-time, during the grace period, or during deferment periods.

Direct Unsubsidized Loans

- Direct Unsubsidized Loans are available to undergraduate, graduate, and professional students.
- Students do not need to demonstrate financial need.
- Interest is charged during all periods.

Direct PLUS Loans

- Direct PLUS Loans are available to graduate and professional students, and to parents of dependent undergraduate students to pay for their children's education.
- Borrower must not have an adverse credit history.
- Interest is charged during all periods.
- Parent borrowers may request deferment while the student is enrolled at least half-time, and for an additional six months after the student ceases to be enrolled half-time.

Direct Consolidation Loans

- Direct Consolidation Loans combine eligible federal student loans into a single loan with a single servicer.
- Borrowers should check to see if they qualify for this option at **StudentAid.gov/consolidation**.

Federal Perkins Loan Program

- Perkins Loans are available to undergraduate, graduate, and professional degree students who demonstrate financial need.
- Low interest rates are offered.
- Schools are the lenders.

Borrower Responsibilities and Options

Whether using federal or private student loans, students should be aware of the details of their loan(s), as well as their responsibilities and options as borrowers. Some questions to ask are:

- Is it necessary to accept the full loan amount that is offered?
- When does the repayment period begin?
- Does interest accrue while the student is enrolled in school?
- How long is the repayment period?
- When will a loan be considered delinquent?
- If a loan becomes delinquent, when will it enter default?
- Can a defaulted loan be rehabilitated?
- What are the repayment options and when is it necessary to select one (e.g., at time of origination versus upon graduation)?
- What can be done to reduce debt burden (e.g., pay interest or a small amount of loan principal) while in school?

REPAYMENT

Understanding Repayment

Educating borrowers about their responsibilities and options will help decrease default and delinquency rates. Schools can help students significantly by counseling them and/or reviewing with them the repayment process prior to originating the loan, and by revisiting the loan information prior to graduation. Students are required to complete entrance counseling before receiving their first loan. FSA's online entrance counseling **StudentLoans.gov /myDirectLoan/counselingInstructions.action** includes a financial literacy component.

Students can use the Financial Awareness Counseling Tool (FACT) to access their loan balances, understand their repayment options, and use helpful interactive budgeting tools. FACT and other counseling tools can be accessed, with or without a student login, at **StudentLoans.gov/myDirectLoan /financialAwarenessCounseling.action?execution=e1s1**.

Students should be encouraged to explore their repayment plan options, including income-based repayment plans. Federal Student Aid's *Repayment Estimator* is a useful tool which can help borrowers get an early look at which plans they might be eligible for and see estimates for how much they would pay monthly and overall. It is available at **StudentAid.gov/repayment-estimator**. Exercising basic money management skills will reduce students' chances of making repayment mistakes that may adversely impact their credit scores.

Establishing contact with their loan servicer(s) prior to beginning repayment will help avoid misunderstandings about the payment amount and schedule. Students should be mindful of keeping the school and loan servicer updated on any changes in their contact information, such as their mailing address, that could lead to missing important notices or correspondence.

As a reminder, private loans have different repayment options and requirements than federal loans. Borrowers of private loans should be encouraged to contact their loan holders for relevant repayment information.

Borrowers experiencing difficulty meeting their repayment obligations may have options, including loan consolidation, changing repayment plans, deferment, or forbearance. Educated borrowers are more likely to appropriately use these options to avoid delinquency or default. Schools should strive to educate students about these options, as borrowers lacking the ability to repay their loans often let them lapse into default or delinquency when they could benefit from those options available to them.

Students can contact their loan servicers with any questions regarding repayment at **StudentAid.gov/servicer**.

Federal Direct Loan Repayment Options

Standard Repayment Plan

- Time borrower has to repay: Up to 10 years. (10- to 30-year repayment period for Direct Consolidation Loans)
- Payments remain constant throughout the repayment period.
- Borrower will pay less interest for the loan over time under this plan than he or she would under the other plans.
- The loan will be paid in full by the end of the repayment period.

Graduated Repayment Plan

- Time borrower has to repay: Up to 10 years. (10- to 30-year repayment period for Direct Consolidation Loans)
- Payments start low and gradually increase every two years over life of loan.
- The loan will be paid in full by the end of the repayment period.

Extended Repayment Plan

- Time borrower has to repay: Up to 25 years.
- Payments will be an amount that ensures the loan will be paid in full in 25 years. Borrower can choose to make either fixed or graduated payments.
- Borrower must have more than $30,000 in Federal Direct Loans to qualify.
- The loan will be paid in full by the end of the repayment period.

Income-Driven Repayment Plans (Income-Based Repayment Plan, Pay as You Earn Repayment Plan, and Income-Contingent Repayment Plan)

- Time borrower has to repay: Up to 20 or 25 years depending on the repayment plan.
- Monthly payment amount tied to borrower's income and adjusted annually.
- Any outstanding balance remaining at end of loan repayment period will be forgiven.
- Learn more about income-driven repayment plans at **StudentAid.gov/idr**.

Perkins Loan Repayment Options

- Time borrower has to repay: Up to 10 years.
- The loan servicer will most likely be the school the student attended when the loan was received, and payments are made to the school. Some schools may have a loan servicer handle the billing services on their behalf.

For more information about federal student loan repayment plans, visit **StudentAid.gov/plans**.

Public Service Loan Forgiveness

The Public Service Loan Forgiveness (PSLF) Program is intended to encourage individuals to enter and continue to work full-time in public service jobs. PSLF allows certain borrowers who work in public service to qualify for forgiveness of the remaining balance of their Direct Loans after they have made 120 qualifying payments on those loans while employed full-time by certain public service employers.

Details on qualifying loans and employment sectors can be found at **StudentAid.gov/publicservice**.

RESOURCES

Tips for Working with Students

Financial Coaching: Students identify their goals and financial coaches provide accountability and assistance in reaching them.

Train the Trainer: Resources throughout campus can be identified and used to train, counsel, and coach students.

Peer-to-Peer Financial Counseling:

- People relate to peers with shared experiences; and positive role models exhibiting positive behaviors encourage the same in others.
- Those with positive peer-to-peer counseling experiences often are willing to share their knowledge with their fellow students.

Resources for Counselors and Mentors

FinancialAidToolkit.ed.gov

- Provides information and resources to help counselors and mentors reach and work with students, families, and borrowers, including outreach resources such as financial-aid-night materials, facts sheets, videos, infographics, and presentations; social media content; and FSA publications.
- **FinancialAidToolkit.ed.gov/resources**—Search FSA's consolidated online database of resources. Try searching Financial Literacy.
- **FinancialAidToolkit.ed.gov/orderpubs**—Counselors and mentors can order FSA publications for free.
- *2018–19 Counselors and Mentors Handbook on Federal Student Aid: A Guide for Those Advising Students About Financial Aid for Higher Education.* Find the Handbook at **FinancialAidToolkit.ed.gov /resources/counselors-handbook-2018-19.pdf**.

Federal Student Aid: Find the Information You Need—Provides a list of common financial aid topics and the website addresses where you can find information: **StudentAid.gov/sites/default/files /federal-student-aid-info-online.pdf**

Federal Student Loan Servicers

FSA assigns federal student loans to loan servicers to handle the billing and other repayment services. Many servicers offer free financial literacy resources: **StudentAid.gov/servicer**

Resources for Students

StudentAid.gov

- Comprehensive, detailed information on federal student aid from preparing financially for college through loan repayment
- **StudentAid.gov/resources**—See fact sheets, publications, videos, and infographics on various financial aid topics

College Navigator—Interactive website that helps students explore and compare features of different schools including programs and majors, admissions considerations, campus crime statistics, and more: **nces.ed.gov/collegenavigator**

College Scorecard—Provides essential information about a particular school's costs, graduation rates, and the average amount students borrow, all in a standardized easy to read format: **collegescorecard.ed.gov**

Net Price Calculator at **www.collegecost.ed.gov/netpricecenter.aspx**

- Tool that helps students find the net price calculator for a particular school
- Students can input personalized information into a school's net price calculator in order to determine how much a school's program may cost after subtracting any financial aid the student is likely to receive

Financial Awareness Counseling Tool (FACT)—Interactive resource that helps students understand their student loan obligations and provides money management tips and tools: **StudentLoans.gov/myDirectLoan/financialAwarenessCounseling.action?execution=e1s1**

Federal Student Aid Information Center (FSAIC)—Resource for questions about federal student aid and completing the FAFSA:

- E-mail: **studentaid@ed.gov**
- Toll-free number: 1-800-4-FED-AID (1-800-433-3243)
- TTY (for the hearing impaired): 1-800-730-8913
- Toll number: 319-337-5665

Social Media

/FederalStudentAid

/FAFSA

/FederalStudentAid

Counselors and mentors can learn how to leverage Federal Student Aid's social media content at **FinancialAidToolkit.ed.gov/social**

Other Federal Resources

FDIC Money Smart—Comprehensive financial education curriculum designed to help low- and moderate-income individuals enhance their financial skills and create positive banking relationships: **www.fdic.gov/moneysmart**

MyMoney.gov—U.S Treasury Department provides financial capability information for youth, lesson plans for teachers, and research reports about money, saving, and planning for the future.

Consumer Financial Protection Bureau (CFPB)—Provides help for making informed financial decisions about paying for college, such as how to compare financial aid offers, choosing a loan, managing money, and repaying debt: **www.consumerfinance.gov/students**

U.S. Department of Agriculture's Cooperative Extension System—Education network that takes research and knowledge to people where they live and work with user-friendly resources and learning lessons: **www.extension.org/personal_finance**

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Photos: U.S. Department of Education

Edgecombe COMMUNITY COLLEGE

ECC Financial Aid Office
Financial Aid Offer Supplement
2023-2024

General Eligibility Requirements

In some instances, financial aid award amounts are estimated and are subject to change based on available funding and/or regulatory changes. False or incomplete information submitted by you or on your behalf or if you make changes to your FAFSA data after you have been awarded aid may result in the cancellation of your award and may require repayment of part or all of the funds disbursed to you. Students must apply for admission to the College before any action can be taken on their application for financial aid. A student must meet the following eligibility requirements to receive federal and state aid:

• demonstrate financial need (except for certain loan programs)
• be a U.S. citizen or eligible non-citizen
• not be a member of a religious community that directs the program of study or provides maintenance (except for unsubsidized Stafford loans),
• not be in default on a Title IV student loan borrowed for attendance at any institution,
• not have borrowed in excess of Title IV loan limits,
• not owe a repayment on a Title IV grant or scholarship received for attendance at any institution
• maintain Satisfactory Academic Progress,
• enroll in an approved, eligible program of study (must be at least 16 credit hours in length),
• have earned a high school diploma or GED, except for eligible dual enrolled high school students,
• not enrolled concurrently in an elementary or secondary school, and
• provide a valid social security number.

Federal Pell Grant

The Pell Grant is awarded to undergraduate students based on the results from your Free Application for Federal Student Aid (FAFSA). This information is used to determine your Expected Family Contribution (EFC), which is calculated by a formula established by law. The EFC is not the amount of money that your family must provide. Rather, you should think of the EFC as an index that we use to determine how much financial aid you would receive if you were to attend ECC. If your EFC is below a certain number, you'll be eligible for a Federal Pell Grant assuming you meet all other eligibility requirements. The amount of your Pell Grant depends on your EFC and your enrollment status. Eligible students are allowed to receive Pell for 12 full-time equivalent semesters.

North Carolina Scholarship (NCNBG)

The North Carolina Scholarship is awarded to eligible undergraduate, North Carolina residents. Students enrolling at a North Carolina Community College with an Adjusted Gross Income (AGI) of $75,000 or less and an Expected Family Contribution (EFC) of 7,500 or less, as reported on the FAFSA, are guaranteed at least $2,800 from combined federal and state aid based on full-time enrollment. State grants are not available for the summer term or for less-than-half-time enrollment.

North Carolina Longleaf Commitment Grant (NCLCG/NCLC2)

NCLCG/NCLC2 are awarded to undergraduate, North Carolina residents graduating high school in the year leading up to that year's fall semester of college and is based on the results from your FAFSA. The amount of your award depends on your EFC and your enrollment status.

Federal Supplemental Educational Opportunity Grant (FSEOG)
FSEOG is awarded to undergraduate students who are Pell grant eligible and who show exceptional financial need. Because FSEOG funds are limited, they are awarded to students who apply and complete their financial aid files early. FSEOG funds are not subject to proration.

Federal Work-Study (FWS)
Federal Work-Study is a federally funded program that provides part-time employment to students with financial need. If you have been awarded Federal Work-Study, the amount listed in your award letter is the allotment of money that you may earn during the academic year. You will be paid an hourly wage of $11.00 and will receive a monthly paycheck for any hours you work in a work-study position.

William D. Ford Federal Direct Loan Program
The Federal Subsidized Stafford Loan, and Federal Unsubsidized Stafford Loan programs fall under the Federal Direct Loan Programs. If you have been awarded a loan, you must attend at least 6 (six) credit hours per term and maintain at half-time enrollment throughout the term to remain eligible for subsequent disbursements.

For more information about federal loans visit https://tinyurl.com/bdep85r9

Scholarships and Other Outside Aid
Scholarships are provided through the ECC Foundation and the generosity of industries, businesses, professional organizations, civic clubs, and individuals. For more information on our scholarship programs, please go to our website at https://tinyurl.com/mrxn8zxf
You are required to notify the Financial Aid office if you receive any other scholarships, loans, employer reimbursement or other assistance from sources outside the College prior to acceptance of outside aid.

Summer Awards
If you attend school year-round, and are eligible to receive a Pell Grant, you may be able to receive a Pell Grant for all terms in the academic year. This is referred to as "Year-Round Pell". To receive a Pell grant in the additional term (i.e. summer), you need to be enrolled at least half time in that term. Here are some examples of how Year-Round Pell works:

Example 1: You attend school year-round, in the fall, spring, and summer terms. Your full time Pell Grant eligibility for the academic year is $5,600. You attend full time in the fall and spring and half time in the summer. Your Pell Grant award would be: $2,800 for fall and spring terms, and $1,400 for summer term.

Example 2: With the same scenario as the first example, except you also attend full time in the summer, your Pell Grant award would be: $2,800 for fall, spring and summer terms.

Example 3: If, on the other hand, you attend full time in the fall and spring and less than half time in the summer, you would not be eligible for any additional Pell for the summer term.

Example 4: Now let's look at your Pell award, with the same eligibility amount, if you attend part time in the fall, full time in the spring, and full time in the summer: Your award for fall would be $1,400, $2,800 for spring, and $2800 for summer.

Remember, you can only receive additional Pell Grant funds if you are attending at least half time in the additional term. **Loans**: if you did not borrow the full amount of your annual loan limits, you may qualify for summer loans. If you wish to borrow these additional loan funds, you will need to submit a Federal Stafford Loan Request – Summer Only form, available on the ECC Financial Aid Forms page.

Special Circumstances
If you or your family has unusual circumstances that might affect your financial situation (such as loss of employment, divorce, separation, or death of a parent or spouse) Please contact the Financial Aid office.

How your Financial Need is Determined
Financial aid programs are based on the principle that students (and their parent or spouse, if applicable) are considered to be the primary source of financial support for postsecondary education. Financial aid is intended to supplement, not replace family resources.

The formula for determining financial need is:

Cost of Attendance (COA)

- Expected Family Contribution (EFC)

= Financial Need

COA: Every college must estimate the educational expenses a student will incur during an academic year. These expenses include direct costs (tuition and fees) and related educational expenses (living, transportation, allowances for books, and other miscellaneous expenses). For Less-Than-Half-Time enrollment, these expenses are limited to tuition, books, room-and-board, and transportation. https://tinyurl.com/3jckwamb

EFC: Derived from the information you listed on the FAFSA, it measures your family's financial strength to determine your eligibility for federal student aid.

Financial need: This is the difference between the institution's COA and your EFC. If there is a remaining figure, you are considered to have financial need.

Award Proration
Your offer letter lists your estimated financial aid amounts. Your actual aid amount will be based on your enrollment status at the end of the general 10% point of each term. Classes added after this date for mini-mesters will NOT increase the enrollment status after that initial registration. The calculation of total credit hours do not include audited courses, classes you do not attend, credit hours earned by proficiency test, Continuing Education classes, repeated coursework attempted for the third time after receiving a passing grade, courses outside your program, or any Developmental classes once you have attempted more than 30 credit hours in Developmental Education. If you are registered for fewer than 12 credit hours per term (or 15 credit hours for NCCCG), your Pell/NCCCG/NCELS/NCLCG/NCLG2 are subject to proration. Proration is defined as a reduction in the amount of your grant awards in accordance with a reduced number of credit hours.

Proration works in the following manner:

Federal Pell Grant
12+ credit hours = 100% Pell grant award

9 to 11 credit hours = 3/4 time or 75% of a full-time Pell grant

6 to 8 credit hours = 1/2 time or 50% of a full-time Pell grant*

Fewer than 6 credit hours = less than half time or 25% of a full-time Pell grant*

*Some students with limited Pell eligibility who are enrolled less than 9 credit hours per term may be eligible only for a small amount of Pell Grant, or no Pell grant at all.

North Carolina Scholarship
12+ credit hours = 100% NCNBG award

9 to 11 credit hours = 3/4 time or 75% of full-time grant

6 to 8 credit hours = 1/2 time or 50% of full-time grant

Fewer than 6 credit hours = Not Eligible**

North Carolina Longleaf Commitment Grant
12+ credit hours = 100% NCLCG award

9 to 11 credit hours = 3/4 time or 75% of full-time grant

6 to 8 credit hours = 1/2 time or 50% of full-time grant

Fewer than 6 credit hours = Not Eligible**

Students enrolled for less than 6 credit hours **ARE NOT eligible for North Carolina state grants or the Direct Loan Programs.

Charging Tuition, Fees, Books, and Supplies
ECC allows students who meet all deadlines and are awarded Pell, FSEOG, NCNBG, NCLCG, or Loans to charge tuition and fees as well as books and supplies to their aid. Be prepared to pay any costs not covered by financial aid or any prior balances you may owe to the college; otherwise, your grades will be withheld and you may still owe tuition for those classes. https://tinyurl.com/3jckwamb

You may charge books and supplies at the ECC Bookstore during these dates:

Fall 2023:
August 7th

Spring 2024:
December 26th

Summer 2024:
May 11th

You are not required to purchase books and supplies in the ECC Bookstore. (https://tinyurl.com/twkde9dk)This service is provided by the College as a convenience. Books and supplies may be purchased at off-campus locations.

How ECC Disburses Funds
Fall – September, November, December

Spring – February, April

Summer – June, July

Students who are awarded after the 1st disbursement will be paid on a rolling basis.

You **CANNOT** receive financial aid at two or more schools for the same time period. Failure to heed this information may cause you to have to repay large sums of aid and to lose your eligibility for future financial aid. You must repay any funds disbursed to you in error, or for any period of time you were not eligible or enrolled.

How ECC Disburses Loan Funds
As part of our ongoing effort to assist you with budgeting for your educational costs, we will disburse loans in two payments for fall and spring and two payments for summer. We have set the following refund schedule for the 2023-24 academic year, so please plan accordingly. https://tinyurl.com/39zfbvtb

It is important to understand that tuition, fees, https://tinyurl.com/3jckwamb and bookstore charges will be deducted from your financial aid, including your loans, before you begin to receive loan refunds. At the time we disburse funds, you must be enrolled at least half-time, or 6 credit hours, including summer. All first-time, first-year borrowers are required to have a 30-day delay on their loans, which begins the first day of classes.

Remedial/Developmental Coursework
Federal regulations allow that only the first thirty (30) hours of attempted remedial/developmental coursework is used to determine your eligibility for financial aid. Once you have attempted thirty (30) remedial hours, only non-remedial college credit courses can be used to determine your eligibility for aid.

Repeated Coursework
You may take a course previous passed once. After that, repeated courses cannot be counted towards enrollment status.

Communication
We will correspond with you only through your Edgecombe email account. Get in the habit of checking this email account frequently or forward it to another email account that you use on a regular basis. If you visit our office on

campus make sure you have an unexpired State issued license or ID.

Withdrawal from ECC
Students are encouraged to talk with a Financial Aid Advisor before withdrawing from ECC. This is important because your withdrawal may affect your eligibility for financial aid and could result in you having to repay all or a portion of your financial aid award back to ECC and/or the Department of Education. Excessive withdrawals may adversely affect your satisfactory academic progress in accordance with ECC's Financial Aid Satisfactory Academic Progress Policy
https://tinyurl.com/56rdeszr

Return to Title IV Funds
Federal regulations require recalculation of federal financial aid eligibility for students who withdraw, drop out, or are expelled prior to completing sixty percent of a semester/term. If a calculation results in an overpayment, you may owe a debt to the College. ECC will return the funds on your behalf, resulting in a balance owed to the college. In an event an overpayment occurs, please contact the Cashier's Office to make payment arrangements. Federal eligibility is lost until the debt is paid or satisfactory arrangements are made with the college. To avoid owing funds back to the College, check with a Financial Aid Advisor before withdrawing from any course(s). If you unofficially withdraw from the College during the semester, Federal regulations require that we calculate a return of funds to the Department of Education using the 50 percent point of the semester.

Return of State Grant Funds
Students who receive state grant funds are also subject to a return of funds policy similar to the federal policy described above. The main difference, however, is that student will owe a refund for withdrawing from all classes on or before the 35% point of the semester versus the 60% point used for federal funds.

Satisfactory Academic Progress Policy
Federal and state regulations require that students receiving financial aid maintain Satisfactory Academic Progress (SAP). ECC applies these standards to all federal and state financial aid funds in order to maintain a consistent procedure for all students. ECC will review SAP statuses after each term.
https://tinyurl.com/42keupfn

Procedure Statement
In order to be eligible for financial aid, you must meet the following minimum guidelines:

1. Qualitative Standard - Must not be suspended according to the College's academic suspension procedure. In addition, a student must maintain a cumulative Grade Point Average (GPA) of 2.0.

2. Quantitative Standard - Must earn 67% of the total cumulative credit hours attempted (e.g., if the student has attempted 50 credit hours, the student must have earned credit for at least 34 hours). The number of hours attempted is defined as the total cumulative number of credit hours for which you were enrolled at the generic 10% point of each term. The total number of hours earned is defined as the total cumulative number of credit hours for which the student received a passing grade as noted on the student's academic transcript.

3. Maximum Time Frame - Must complete program of study in a time frame not to exceed 150 percent of the published length of the program, excluding the first 30 attempted credit hours of developmental education. This will be measured in credit hours (e.g., if the academic program length requires 60 credit hours, maximum time frame cannot exceed 90 credit hours attempted.) Once students have earned an associate degree from ECC, they may not be eligible for additional financial aid.

Special Notes
1. Withdrawal – An excessive number of withdrawals (either official or unofficial) will affect your ability to meet the quantitative standard as described above. We encourage you to discuss any plans to withdraw from one or

more courses with a Financial Aid Advisor before you do so to see how this will affect your future financial aid eligibility.

2. Grades of Incomplete - Students will not be affected by incomplete grades (I or X) at the time of review, except in the cases of approved appeals. Should the grade become final before the review, the actual grade, credits attempted, and credits earned will be used to determine if the student is making SAP.

3. Repeated Courses - In accordance with ECC procedure, a student is permitted to retake courses. If you have already earned a passing grade (“D” or better) for the course, you may only repeat the course once for financial aid purposes. The new grade earned from a repeated course will be used to determine eligibility in accordance with this procedure. For GPA calculation, previous grades are zeroed out in accordance with the procedure for repeating a course. However, the previous hours attempted and earned will continue to be counted in the total hours attempted and earned.

4. Developmental (Non-Credit) Coursework – Developmental Education courses (designated by course numbers below 100, ex., ENG-002) are included in the calculation of satisfactory academic progress. However, there is a limit on the amount of non-credit remedial coursework that can be included in your enrollment status or cost of attendance. Developmental credit hours attempted in excess of 30 total semester credit hours cannot be counted towards enrollment status.

5. Summer Session - Credit hours attempted and earned during a summer session will be included in the calculation of Satisfactory Academic Progress, just as for any other term of study.

6. Transfer Credit – Transfer credit hours and grades accepted from other institutions are included in the calculation of SAP.
Credits taken at other institutions under a consortium agreement will be considered as transfer credits.

7. Test-Based Credit – The grades for these credits count in the student’s GPA.

8. Forgiveness of Grades – There is no provision in the federal regulations for the concept of forgiveness of grades. Therefore, ECC must always include all courses when evaluating satisfactory academic progress.

Warning Status and Unsatisfactory Academic Progress

It is your responsibility to be aware of your Satisfactory Academic Progress status for financial aid eligibility. To determine your academic progress status and eligibility for financial aid, your academic record will be evaluated at the end of each term.

Following the first term of failure to maintain cumulative satisfactory academic progress, you will be granted one term to regain satisfactory academic progress. This term is known as your “Warning” term. During your Warning term, you may continue to receive financial aid provided you are otherwise eligible.

If you are able to regain satisfactory academic progress with the courses completed successfully during your Warning term, the Warning status is lifted. If you have not regained satisfactory academic progress, you are placed in “terminated status” and you are no longer eligible for financial aid at ECC until your cumulative progress is again satisfactory. You can only regain satisfactory academic progress by earning or transferring in enough credit hours and grades to bring up your cumulative average. Paying for a semester or sitting out a semester does **NOT** permit you to regain satisfactory academic progress.

Appeal Process

If you become ineligible for financial aid due to a failure to meet the minimum guidelines for satisfactory academic progress or because you have reached your maximum time frame to earn a degree, you may appeal your status to the Financial Aid Office. Appeals will be considered for various circumstances.

Examples of circumstances that were outside of your control:

1. Extended student/family illness or injury
2. Death of a relative

Examples of circumstances that were under your control:

1. Return to school after an extended leave
2. Change of degree program

An SAP appeal form must be completed and all documentation must be included to explain and document that these situations. In the case of circumstances that were under your control, you must document what has changed in your situation that will now enable you to meet SAP requirements. Email the SAP appeal form and non-returnable documentation to **sap@edgecombe.edu** by deadline date on the SAP appeal form. Student appealing after this time frame should be prepared to pay for the semester expenses. Your appeal will be reviewed by the SAP Appeals committee and your approval or denial notice will be sent to your Edgecombe email account.

Approved Appeals
If your appeal is approved, you will regain your financial aid for that semester. To successfully complete the credit hours you are enrolled in, you must earn a 2.0 GPA each term and earn passing credits in 75% of your attempted classes each term until you regain satisfactory academic progress or graduate, whichever comes first. If you fail to meet these requirements, your aid will be terminated.

Denied Appeals
If your appeal is denied, you will be asked to attend at your own expense and earn the deficiency either in the hours, GPA or both (you cannot make up a deficiency if your appeal was due to exceeding the maximum timeframe to earn a degree). If you did not maintain SAP due to a deficiency in credit hours, you may take the credit hours at another institution as long as ECC accepts the transfer hours. After you complete this semester (or semesters), you must submit an appeal form to the Financial Aid Office so your progress can be reevaluated.